

KERN HIGH SCHOOL DISTRICT

Audit Report

NOTIFICATION OF TRUANCY PROGRAM

Chapter 498, Statutes of 1983; Chapter 1023, Statutes of 1994;
Chapter 19, Statutes of 1995; and Chapter 69, Statutes of 2007

July 1, 2007, through June 30, 2011



JOHN CHIANG
California State Controller

May 2013



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California State Controller

May 29, 2013

Bryan Batey, President
Board of Trustees
Kern High School District
5801 Sundale Avenue
Bakersfield, CA 93309-2924

Dear Mr. Batey:

The State Controller's Office audited the costs claimed by the Kern High School District for the legislatively mandated Notification of Truancy Program (Chapter 498, Statutes of 1983; Chapter 1023, Statutes of 1994; Chapter 19, Statutes of 1995; and Chapter 69, Statutes of 2007) for the period of July 1, 2007, through June 30, 2011.

The district claimed \$1,244,571 for the mandated program. Our audit found that \$1,193,318 is allowable and \$51,253 is unallowable. The costs are unallowable because the district claimed non-reimbursable initial truancy notifications. The State paid the district \$125,404. The State will pay allowable costs claimed that exceed the amount paid, totaling \$1,067,914, contingent upon available appropriations.

If you have any questions, please contact Jim L. Spano, Chief, Mandated Cost Audits Bureau, at (916) 323-5849.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/vb

cc: Donald E. Carter, Ed.D., Superintendent
Kern High School District
David Chalupa, Director, Fiscal Services
Kern High School District
Don McKenzie, Fiscal Services Accountant
Kern High School District
Lynn Bauer, Administrator, Attendance Accounting
Kern High School District
James L. Bartleson, President, Board of Education
Kern County Office of Education
Scott Hannan, Director
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California Department of Education
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California Department of Finance
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Audit Report

Summary

The State Controller's Office audited the costs claimed by the Kern High School District for the legislatively mandated Notification of Truancy Program (Chapter 498, Statutes of 1983; Chapter 1023, Statutes of 1994; Chapter 19, Statutes of 1995; and Chapter 69, Statutes of 2007) for the period of July 1, 2007, through June 30, 2011.

The district claimed \$1,244,571 for the mandated program. Our audit found that \$1,193,318 is allowable and \$51,253 is unallowable. The costs are unallowable because the district claimed non-reimbursable initial truancy notifications. The State paid the district \$125,404. The State will pay allowable costs claimed that exceed the amount paid, totaling \$1,067,914, contingent upon available appropriations.

Background

Education Code section 48260.5 (added by Chapter 498, Statutes of 1983) originally required school districts, upon a pupil's initial classification as a truant, to notify the pupil's parent or guardian by first-class mail or other reasonable means that: (1) the pupil is truant; (2) parents or guardians are obligated to compel the pupil's attendance at school; (3) parents or guardians who fail to meet this obligation may be guilty of an infraction and subject to prosecution; (4) alternative educational programs are available in the district; and (5) they have the right to meet with appropriate school personnel to discuss solutions to the pupil's truancy.

Chapter 1023, Statutes of 1994, amended Education Code section 48260.5 to additionally require school districts to notify the pupil's parent or guardian that (1) the pupil may be subject to prosecution; (2) the pupil may be subject to suspension, restriction, or delay of the pupil's driving privilege; and (3) it is recommended that the parent or guardian accompany the pupil to school and attend classes with the pupil for one day.

Chapter 1023, Statutes of 1994, and Chapter 19, Statutes of 1995, amended Education Code section 48260 and renumbered it to section 48260, subdivision (a), stating that a pupil is truant when he or she is absent from school without valid excuse three full days in one school year or is tardy or absent for more than any 30-minute period during the school day without a valid excuse on three occasions in one school year, or any combination thereof.

On November 29, 1984, the State Board of Control (now the Commission on State Mandates [CSM]) determined that Chapter 498, Statutes of 1983, imposed a state mandate upon school districts reimbursable under Government Code section 17561.

The parameters and guidelines establish the state mandate and define reimbursement criteria. The CSM adopted parameters and guidelines on August 27, 1987. The CSM subsequently amended the parameters and guidelines four times, most recently on May 27, 2010. In compliance with Government Code section 17558, the SCO issues claiming instructions to assist local agencies and schools districts in claiming mandated program reimbursable costs.

Objective, Scope, and Methodology

We conducted the audit to determine whether costs claimed represent increased costs resulting from the Notification of Truancy Program for the period of July 1, 2007, through June 30, 2011.

Our audit scope included, but was not limited to, determining whether costs claimed were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive.

We conducted this performance audit under the authority of Government Code sections 12410, 17558.5, and 17561. We did not audit the district's financial statements. We conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We limited our review of the district's internal controls to gaining an understanding of the transaction flow and claim preparation process as necessary to develop appropriate auditing procedures.

Conclusion

Our audit found instances of noncompliance with the requirements outlined above. These instances are described in the accompanying Summary of Program Costs (Schedule 1) and in the Finding and Recommendation section of this report.

For the audit period, the Kern High School District claimed \$1,244,571 for costs of the Notification of Truancy Program. Our audit found that \$1,193,318 is allowable and \$51,253 is unallowable. The State paid the district \$125,404. The State will pay allowable costs claimed that exceed the amount paid, totaling \$1,067,914, contingent upon available appropriations.

Views of Responsible Officials

We discussed our audit results with the district's representatives during an exit conference conducted on May 14, 2013. David Chalupa, Director, Fiscal Services, and Don McKenzie, Assistant Director of Budget, agreed with the audit results. Mr. Chalupa declined a draft audit report and agreed that we could issue the audit report as final.

Restricted Use

This report is solely for the information and use of the Kern High School District, the Kern County Office of Education, the California Department of Education, the California Department of Finance, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

May 29, 2013

Schedule 1— Summary of Program Costs July 1, 2007, through June 30, 2011

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment ¹
<u>July 1, 2007, through June 30, 2008</u>			
Number of initial truancy notifications	17,984	17,380	(604)
Uniform cost allowance	× \$17.28	× \$17.28	× \$17.28
Total program costs ²	<u>\$ 310,764</u>	\$ 300,327	<u>\$ (10,437)</u>
Less amount paid by the State		<u>(7)</u>	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 300,320</u>	
<u>July 1, 2008, through June 30, 2009</u>			
Number of initial truancy notifications	15,897	15,471	(426)
Uniform cost allowance	× \$17.74	× \$17.74	× \$17.74
Total program costs	<u>\$ 282,013</u>	\$ 274,456	<u>\$ (7,557)</u>
Less amount paid by the State		<u>(63,899)</u>	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 210,557</u>	
<u>July 1, 2009, through June 30, 2010</u>			
Number of initial truancy notifications	17,521	16,932	(589)
Uniform cost allowance	× \$17.87	× \$17.87	× \$17.87
Total program costs	<u>\$ 313,100</u>	\$ 302,575	<u>\$ (10,525)</u>
Less amount paid by the State		<u>(61,498)</u>	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 241,077</u>	
<u>July 1, 2010, through June 30, 2011</u>			
Number of initial truancy notifications	18,518	17,275	(1,243)
Uniform cost allowance	× \$18.29	× \$18.29	× \$18.29
Total program costs	<u>\$ 338,694</u>	\$ 315,960	<u>\$ (22,734)</u>
Less amount paid by the State		<u>—</u>	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 315,960</u>	
<u>Summary: July 1, 2007, through June 30, 2011</u>			
Total program costs	<u>\$ 1,244,571</u>	\$ 1,193,318	<u>\$ (51,253)</u>
Less amount paid by the State		<u>(125,404)</u>	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 1,067,914</u>	

¹ See the Finding and Recommendation section.

² Calculation differences due to rounding.

Finding and Recommendation

FINDING— Non-reimbursable initial truancy notifications

The district claimed non-reimbursable initial truancy notifications totaling \$51,253. The district claimed notifications that it distributed for students who did not accumulate the required number of unexcused absences or tardiness occurrences to be classified as truant under the mandated program.

For each fiscal year, we selected a statistical sample of initial truancy notifications claimed based on a 95% confidence level, a precision rate of +/-8%, and an expected error rate of 50%. We used statistical samples so that we could project the sample results to the population.

Some initial truancy notifications were non-reimbursable for the following reasons:

- Students accumulated fewer than three unexcused absences or tardiness occurrences before reaching age 18.
- Students accumulated fewer than three unexcused absences or tardiness occurrences during the school year.

The following table summarizes the non-reimbursable initial truancy notifications identified in our statistical samples:

	Fiscal Year			
	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
Number of unexcused absences and tardiness occurrences accumulated during the school year:				
Fewer than three before age 18	(5)	(2)	(4)	(8)
Fewer than three total	<u>—</u>	<u>(2)</u>	<u>(1)</u>	<u>(2)</u>
Unallowable initial truancy notifications	<u>(5)</u>	<u>(4)</u>	<u>(5)</u>	<u>(10)</u>

The following table summarizes the audit adjustment based on the unallowable initial truancy notifications identified for each fiscal year:

	Fiscal Year				
	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>Total</u>
Number of unallowable initial truancy notifications from statistical sample	(5)	(4)	(5)	(10)	
Statistical sample size	÷ 149	÷ 149	÷ 149	÷ 149	
Unallowable percentage	(3.36)%	(2.68)%	(3.36)%	(6.71)%	
Population sampled	× 17,984	× 15,897	× 17,521	× 18,518	
Extrapolated number of unallowable initial truancy notifications	(604)	(426)	(589)	(1,243)	
Uniform cost allowable	× \$17.28	× \$17.74	× \$17.87	× \$18.29	
Audit adjustment	<u>\$ (10,437)</u>	<u>\$ (7,557)</u>	<u>\$ (10,525)</u>	<u>\$ (22,734)</u>	<u>\$ (51,253)</u>

Education Code section 48260, subdivision (a), states:

A pupil subject to compulsory full-time education or to compulsory continuation education [emphasis added] who is absent from school without a valid excuse three full days in one school year or tardy or absent for more than a 30-minute period during the schoolday [sic] without a valid excuse on three occasions in one school year, or any combination thereof, is a truant. . . .

Education Code section 48200 states that children between ages 6 and 18 are subject to compulsory full-time education. Therefore, student absences that occur after the student's 18th birthday are not relevant when determining whether a student is a truant.

The parameters and guidelines state:

A truancy occurs when a student is absent from school without valid excuse three (3) full days in one school year, or is tardy or absent without valid excuse for more than any thirty (30)-minute period during the school day on three (3) occasions in one school year, or any combination thereof.

Recommendation

We recommend that the district claim initial truancy notifications for only those students who accumulate the required number of unexcused absences or tardiness occurrences while subject to compulsory full-time education.

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